UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

No. 1494—August Term, 1994

(Argued: April 27, 1993 Decided: December 27, 1993

Reversed and Remanded: February 21, 1995

Reargued: May 11, 1995 Decided: October 30, 1995)

Docket No. 93-7127

MICHAEL A. LEBRON,

Plaintiff-Counter-Defendant-Appellee,

—vs.—

NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK),

Defendant-Appellant,

—and—

TRANSPORTATION DISPLAYS, INCORPORATED,

Defendant-Counter-Claimant.

Before:

NEWMAN, *Chief Judge*, and
LUMBARD and MAHONEY, *Circuit Judges*.

On remand from the United States Supreme Court, *see Lebron v. National R.R. Passenger Corp.*, 115 S. Ct. 961 (1995), appeal from a judgment entered February 11, 1993 in the United States District Court for the Southern District of New York, Pierre N. Leval, then-*District Judge*, that enjoined defendant-appellee National Railroad Passenger Corporation to display a political advertisement prepared by plaintiff-counter-defendant-appellee Michael A. Lebron on a large billboard known as the Spectacular in New York City's Pennsylvania Station, the district court having determined that Amtrak's failure to do so violated the First Amendment. *See Lebron v. National R.R. Passenger Corp. (AMTRAK)*, 811 F. Supp. 993 (S.D.N.Y. 1993).

We initially reversed on the ground that Amtrak is not a governmental actor subject to the strictures of the First Amendment. *Lebron v. National R.R. Passenger Corp. AMTRAK)*, 12 F.3d 388 (2d Cir. 1993). The Supreme Court reversed and remanded, but left open the question whether Amtrak's conduct violated the First Amendment. 115 S. Ct. at 974-75. We now conclude that Amtrak's historical refusal to accept political advertisements such as Lebron's on the Spectacular is a reasonable use of that forum that is neutral as to viewpoint, and that Lebron lacks standing to assert a facial challenge to Amtrak's general policies concerning the acceptance of advertising for display at Pennsylvania Station.

Reversed. Chief Judge Newman dissents in a separate opinion.

KEVIN T. BAINE, Washington, D.C. (Nicole K. Seligman, Steven M. Farina, Williams & Connolly, Washington, D.C., William G. Ballaine, Mark S. Landman, Siff Rosen P.C., New York, New York, of counsel), *for Defendant-Appellant.*

DAVID D. COLE, Washington, D.C. (Center for Constitutional Rights, Washington, D.C., R. Bruce Rich, Gloria C. Phares, Robin E. Silverman, Bernadette M. McCann Ezring, Jonathan Bloom, Weil, Gotshal & Manges, New York, New York, of counsel), *for Plaintiff-Counter-Defendant-Appellee.*

MAHONEY, *Circuit Judge*:

On remand from the United States Supreme Court, *see Lebron v. National R.R. Passenger Corp.*, 115 S. Ct. 961 (1995) ("*Lebron III*"), this appeal of a judgment entered February 11, 1993 in the United States District Court for the Southern District of New York, Pierre N. Leval, then-*District Judge*,* again comes before us. The district court enjoined defendant-appellee National Railroad Passenger Corporation ("Amtrak") and defendant-counter-claimant Transportation Displays, Incorporated ("TDI") to display a political advertisement prepared by plaintiff-counter-defendant-appellee Michael A. Lebron on a large billboard known as the Spectacular in New York City's Pennsylvania Station ("Penn Station"), having determined that Amtrak's failure to do so violated the First Amendment. *See Lebron v. National R.R. Passenger Corp. (AMTRAK)*, 811 F. Supp. 993 (S.D.N.Y. 1993) ("*Lebron I*").

On appeal, after staying the injunction, we reversed the judgment of the district court, "conclud[ing] that Amtrak is not a governmental actor subject to the strictures of the First Amendment." *Lebron v. National R.R. Passenger Corp. (AMTRAK)*, 12 F.3d 388, 389 (2d Cir. 1993) ("*Lebron II*"). The Supreme Court reversed and remanded, holding that Amtrak "is part of the Government for purposes of the First Amendment,"

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* Judge Leval became a member of the Second Circuit Court of Appeals on November 8, 1993.

Lebron III, 115 S. Ct. at 974-75, but "express[ing] no opinion as to whether Amtrak's refusal to display Lebron's advertisement violated that Amendment." *Id.* at 975.

Because we conclude that Amtrak's historical refusal to accept political advertisements such as Lebron's on the Spectacular is a reasonable use of that forum that is neutral as to viewpoint, and that Lebron lacks standing to assert a facial challenge to Amtrak's general policies concerning the acceptance of advertising for display at Pennsylvania Station, we again reverse the judgment of the district court.

Background

On November 30, 1992, Lebron, an artist who creates political billboard displays (frequently involving commentary on public issues), and TDI, which manages the leasing of advertising space for Amtrak, entered into a leasing agreement (the "Lease") under which Lebron would rent the Spectacular, "a curved back-lit display space approximately 103 feet wide by ten feet high . . . [which] dominates the west wall of the rotunda on the upper level of Penn Station where thousands of passengers pass each day," for the months of January and February 1993. *Lebron II*, 12 F.3d at 389. Although Lebron did not specify the precise nature of his display, he did inform TDI that his work was generally political. *Id.* By the terms of the Lease, " '[a]ll advertising copy is subject to approval of TDI and [Amtrak] as to character, text, illustration, design and operation. . . . [I]f [Amtrak] should deem such advertising objectionable for any reason, TDI shall have the right to terminate the contract and discontinue the service without notice.' " *Id.* (quoting the Lease, alterations partially added).

Lebron then submitted his proposed advertisement (the "Display") to TDI. Lebron characterizes the Display as "an allegory about the destructive influence of a powerful, urban, materialistic and individualistic culture on rural, community

based, family-oriented and religious cultures." The district court described the Display as follows:

> The work is a photomontage, accompanied by considerable text. Taking off on a widely circulated Coors beer advertisement which proclaims Coors to be the "Right Beer," Lebron's piece is captioned "Is it the Right's Beer Now?" It includes photographic images of convivial drinkers of Coors beer, juxtaposed with a Nicaraguan village scene in which peasants are menaced by a can of Coors that hurtles towards them, leaving behind a tail of fire, as if it were a missile. The accompanying text, appearing on either end of the montage, criticizes the Coors family for its support of right-wing causes, particularly the contras in Nicaragua. Again taking off on Coors' advertising which uses the slogan of "Silver Bullet" for its beer cans, the text proclaims that Coors is "The Silver Bullet that aims The Far Right's political agenda at the heart of America."

Lebron I, 811 F. Supp. at 995.

When TDI saw the Display, it offered Lebron any of 500 alternative billboard sites that TDI had available in New York City (none of which were in Penn Station), but Lebron rejected this offer. Echoing the allegation in his complaint that the Spectacular is "a unique advertising location in the City of New York," Lebron stated in an affidavit that:

> The very size of the Spectacular allowed me to design and visualize this work with an effectiveness and clarity that would have been otherwise impossible to achieve. Its size and shape make it one of the largest advertising display spaces in New York City, and its prominent location in Pennsylvania Station means that it is visible to a large segment of the traveling public, providing an excellent opportunity to reach exactly the kind of audience I hope to engage with the subject matter of this

> piece. For all of these reasons, I consider the space an extraordinarily unique advertising location in New York City, and a unique challenge to my communicative skills as an artist that no gallery and few other public environments could provide.

Shortly thereafter, Amtrak rejected the Display, stating that its " 'policy is that it will not allow political advertising on the [S]pectacular advertising sign.' " *Lebron II*, 12 F.3d at 389 (quoting Amtrak rejection letter, alteration in *Lebron II*).

This policy, however, is not committed to writing. *Lebron I*, 811 F. Supp. at 1001, although the licensing agreement between Amtrak and TDI (which is addressed to all of Amtrak's advertising space) states that: " 'All advertising material, exhibit material, notices and advertisements, and their manner of presentation and design, shall be subject to approval by Amtrak, which may disapprove any such items at its own discretion.' " *Id.* at 1002 (quoting licensing agreement).[1] In addition, the licensing agreement provides that public service announcements may be accepted, at a reduced rate and when space is available, although they may be preempted by commercial advertising. *Id.* at 1003. Public service advertisements may be accepted only from " 'recognized, legitimate [tax exempt] not-for-profit organizations, corporations, National, State or Local government agencies and subdivisions, philanthropic or cultural organizations whose activities would be of interest or benefit to a majority of the area population,' " and must "adhere to 'good taste, decency and community standards.' " *Id.* (quoting licensing agreement, alterations in *Lebron I*).

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[1] The licensing agreements between Amtrak's predecessor, the Pennsylvania Railroad Company ("PRC"), and TDI provided that the PRC could refuse any advertisement that it deemed " 'unlawful, immoral, improper or offensive to good taste . . . or [to] involve *political* or other views which could result in dissension or [to] involve [PRC] in dissension, complaints or controversy with its patrons or the public.' " *Lebron I*, 811 F. Supp. at 1001-02 (quoting PRC-TDI licensing agreements) (alterations partially added, emphasis added). However, this language has been superseded by the language quoted in the text of this opinion.

In this regard, Amtrak has leased advertising space to various noncommercial groups, including:

> the New York Department of the Environment, the New York Department of Commerce, a foundation for muscular dystrophy, and *Plain Truth* Magazine, a free magazine on political and social issues published by The Worldwide Church of God. In addition, testimony of the general counsel of TDI indicates that TDI regularly displays public service advertisements, including subjects such as the homeless, the environment, drunk driving, AIDS awareness, health issues, and race relations.

Id. at 1004. *The Plain Truth* is distributed at a four-sided, seven-foot kiosk that displays an advertisement for the magazine and is located in front of the Spectacular.

In addition, however, it is undisputed that in the twenty-six years of its existence, the Spectacular has never been used for any type of advertising other than commercial promotions. The only advertisements that have appeared on the Spectacular have promoted DuPont Company, Resorts International in Atlantic City, the Broadway play "Sophisticated Ladies," Fujitsu Computers, Nike athletic wear, and A & S Department Stores.[2] Moreover, as Lebron has acknowledged, Amtrak previews proposed advertisements for the Spectacular, while it views advertisements to be used at other locations only after they are exhibited.

Lebron commenced this action alleging a violation of his First Amendment rights and breach of contract, and seeking equitable relief or, alternatively, damages. The district court granted a mandatory injunction requiring Amtrak and TDI to exhibit the Display on the Spectacular. *Lebron I*, 811 F. Supp. at 1005. After holding that Amtrak is a government actor subject to the First Amendment, *id.* at 995-1000, the court con-

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[2] The stated twenty-six years of the Spectacular's existence, and the list of advertisers over that period, is premised upon the record presented on this appeal, which was completed over two years ago.

cluded that Amtrak's refusal to exhibit the Display violated that amendment. *Id.* at 1000-05. The court provided four bases for this determination: (1) Amtrak's policy of not accepting political advertisements is not clearly set forth, in that it is not reduced to writing, *id.* at 1001-02; (2) the policy is vague, in that it is difficult to draw the line between political, public interest, and commercial advertisements, as demonstrated by conflicting testimony by Amtrak's officials, *id.* at 1002-03; (3) the policy is not consistently applied, in that certain public service advertisements that Amtrak has accepted might be viewed as political, *id.* at 1003-04; and (4) the policy may be void as discriminating on the basis of viewpoint, in that Amtrak may inquire into whether a particular advertisement is offensive, *id.* at 1004-05.

As previously stated, we initially reversed on the ground that Amtrak is not subject to First Amendment constraints, and therefore did not consider the merits of Lebron's First Amendment claim. *Lebron II*, 12 F.3d at 392. We instructed the district court not to exercise supplemental jurisdiction over the remaining state law claim, but noted that Lebron would be free to pursue that claim in state court. *Id.* at 392-93. The Supreme Court reversed and remanded on the "government actor" issue, directing us to consider the merits of Lebron's First Amendment claim. *Lebron III*, 115 S. Ct. at 974-75.

We requested supplemental letter briefs from the parties, and heard reargument on the First Amendment issues.

Discussion

Because Lebron seeks access to government property, we begin with a review of the public forum doctrine.

> Under this approach, regulation of speech on government property that has traditionally been available for public expression is subject to the highest scrutiny. Such regulations survive only if they are narrowly drawn to achieve

> a compelling state interest. *Perry [Educ. Ass'n v. Perry Local Educators' Ass'n]*, 460 U.S. [37,] 45, 103 S. Ct. [948,] 955 [(1983)]. The second category of public property is the designated public forum, whether of a limited or unlimited character—property that the state has opened for expressive activity by part or all of the public. *Ibid.* Regulation of such property is subject to the same limitations as that governing a traditional public forum. *Id.*, at 46, 103 S. Ct., at 955. Finally, there is all remaining public property. Limitations on expressive activity conducted on this last category of property must survive only a much more limited review. The challenged regulation need only be reasonable, as long as the regulation is not an effort to suppress the speaker's activity due to disagreement with the speaker's view. *Ibid.*

International Soc'y for Krishna Consciousness, Inc. v. Lee, 112 S. Ct. 2701, 2705-06 (1992). Reasonable, content-neutral time, place, or manner restrictions are permissible in a public forum. *See Ward v. Rock Against Racism*, 491 U.S. 781, 791 (1989).

"[I]n defining the forum [the Supreme Court has] focused on the *access sought by the speaker*. . . . In cases in which limited access is sought, [the Court's] cases have taken a more tailored approach to ascertaining the perimeters of a forum within the confines of the government property." *Cornelius v. NAACP Legal Defense and Educ. Fund, Inc.*, 473 U.S. 788, 801 (1985) (emphasis added) (holding that federal fund-raising drive, not federal workplace generally, was relevant forum for analysis).

Amtrak contends that our public forum inquiry must focus on the Spectacular alone, rather than all Penn Station advertising space. We agree. Because of its unique size, location, and visibility, Lebron sought access only to the Spectacular, and refused to accept any other advertising space in New York City managed by TDI. Although Lebron now contends that we should broaden our public forum inquiry to all Penn Station advertising space, it was he who determined that only the Spectacular would be acceptable for his display. *Cf. Air Line*

Pilots Ass'n, Int'l v. Department of Aviation, 45 F.3d 1144, 1151-52 (7th Cir. 1995) (where speaker seeks access to diorama display cases in airport, public forum inquiry focuses on display cases rather than airport as a whole); *Hubbard Broadcasting, Inc. v. Metropolitan Sports Facilities Comm'n*, 797 F.2d 552, 555-56 (8th Cir.) (where speaker seeks access to advertising space in sports arena, public forum inquiry focuses on advertising space rather than entire arena), *cert denied*, 479 U.S. 986 (1986).

To determine the Spectacular's forum category, we must examine "the policy and practice of the government to ascertain whether it intended to designate a place not traditionally open to assembly and debate as a public forum." *Cornelius*, 473 U.S. at 802. We must bear in mind that "[t]he government does not create a public forum by inaction or by permitting limited discourse, but only by intentionally opening a nontraditional forum for public discourse." *Id.*; *see also Krishna*, 112 S. Ct. at 2706 (quoting *Cornelius*, 473 U.S. at 802). Thus, even when the government opens a forum for some speech, the forum does not become a public forum if the government did not intend to open the forum without limitation. *See United States v. Kokinda*, 497 U.S. 720, 730 (1990) (plurality opinion); *Perry Educ. Ass'n v. Perry Local Educators Ass'n*, 460 U.S. 37, 48 (1983). When only some First Amendment access has been granted, the reasonableness test applies. *Kokinda*, 497 U.S. at 730 (plurality opinion); *Perry*, 460 U.S. at 49.

Although Amtrak does not maintain a written policy with respect to the Spectacular, its practice is clear; it has never opened the Spectacular for anything except purely commercial advertising. *See Air Line Pilots Ass'n*, 45 F.3d at 1154 ("a court must examine the *actual* policy - as gleaned from the *consistent* practice with regard to various speakers - to determine whether a state intended to create a designated public forum"); *cf. AIDS Action Comm. v. Massachusetts Bay Transp. Auth.*, 42 F.3d 1, 10-12 (1st Cir. 1994) (prohibiting advertisements concerning

use of condoms pursuant to written policy prohibiting sexually explicit advertisements constituted "discrimination in the application of supposedly neutral standards" when other sexually explicit advertisements had been allowed).

In light of Amtrak's undisputed practice with respect to the Spectacular, therefore, we conclude that the Spectacular is not a public forum; most likely, it is a nonpublic forum, or perhaps it is a limited public forum opened for purely commercial speech. *See Calash v. City of Bridgeport*, 788 F.2d 80, 83-84 (2d Cir. 1986) (sports arena opened only to civic, charitable, and nonprofit groups either a nonpublic forum or a limited public forum not required to accommodate other members of general public).

Accordingly, Amtrak's policy of excluding noncommercial advertisements from the Spectacular will be upheld so long as the policy is "viewpoint-neutral and reasonable in relation to the forum's purpose." *Calash*, 788 F.2d at 84; *see also Cornelius*, 473 U.S. at 806 ("Control over access to a nonpublic forum can be based on subject matter and speaker identity so long as the distinctions drawn are reasonable in light of the purpose served by the forum and are viewpoint neutral.").

Lehman v. City of Shaker Heights, 418 U.S. 298 (1974), is particularly well addressed to this issue as presented in the instant case. In *Lehman*, the city imposed a ban on political advertisements in buses, but allowed other types of advertisements, including commercial and public service ads. A candidate for public office challenged this policy as a First Amendment violation, and the Court responded as follows:

> Here, we have no open spaces, no meeting hall, park, street corner, or other public thoroughfare. Instead, the city is engaged in commerce. It must provide rapid, convenient, pleasant, and inexpensive service to the commuters of Shaker Heights. The car card space, although incidental to the provision of public transportation, is part

of the commercial venture. In much the same way that a newspaper or periodical, or even a radio or television station, need not accept every proffer of advertising from the general public, a city transit system has discretion to develop and make reasonable choices concerning the type of advertising that may be displayed in its vehicles. In making these choices, this Court has held that a public utility "will be sustained in its protection of activities in public places when those activities do not interfere with the general public convenience, comfort and safety." *Public Utilities Comm'n v. Pollak*, 343 U.S. [451,] 464-65 [(1952)].

Because state action exists, however, the policies and practices governing access to the transit system's advertising space must not be arbitrary, capricious, or invidious. . . . Revenue earned from long-term commercial advertising could be jeopardized by a requirement that short-term candidacy or issue-oriented advertisements be displayed on car cards. Users would be subjected to the blare of political propaganda. There could be lurking doubts about favoritism, and sticky administrative problems might arise in parceling out limited space to eager politicians. In these circumstances, the managerial decision to limit car card space to innocuous and less controversial commercial and service oriented advertising does not rise to the dignity of a First Amendment violation. . . .

No First Amendment forum is here to be found. The city consciously has limited access to its transit system advertising space in order to minimize chances of abuse, the appearance of favoritism, and the risk of imposing upon a captive audience. These are reasonable legislative objectives advanced by the city *in a proprietary capacity*. In these circumstances, there is no First or Fourteenth Amendment violation.

Lehman, 418 U.S. at 303-04 (plurality opinion) (emphasis added).[3]

It is especially significant that, as in *Lehman*, Amtrak acts in this case in a proprietary capacity, rather than as a governmental regulator. As the Court stated in *Krishna*:

> Where the government is acting as a proprietor, managing its internal operations, rather than acting as lawmaker with the power to regulate or license, its action will not be subjected to the heightened review to which its actions as a lawmaker may be subject. *Kokinda, supra*, 497 U.S., at [725], 110 S. Ct., at [3119] (plurality opinion) (citing *Cafeteria & Restaurant Workers v. McElroy*, 367 U.S. 886, 896, 81 S. Ct. 1743, 1749, 6 L.Ed.2d 1230 (1961)). Thus, we have upheld a ban on political advertisements in city-operated transit vehicles, *Lehman v. City of Shaker Heights*, 418 U.S. 298, 94 S. Ct. 2714, 41 L.Ed.2d 770

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[3] Lebron contends that because the only government interest in *Lehman* that garnered the support of a majority of the Court is protecting captive audiences, the case must be read as so limited. However, the Supreme Court has repeatedly reaffirmed a broader reading of *Lehman*, often specifically citing to the plurality opinion. *See, e.g., Krishna*, 112 S. Ct. at 2705 ("we have upheld a ban on political advertisements in city-operated transit vehicles") (citing *Lehman*); *Kokinda*, 497 U.S. at 726 (plurality opinion) ("In *Lehman*, the plurality concluded that the ban on political advertisements (combined with the allowance of other advertisements) was permissible under [the arbitrary and capricious] standard") (followed by quotation from *Lehman*, 418 U.S. at 304) (plurality opinion); *Cornelius*, 473 U.S. at 806 ("a speaker may be excluded from a nonpublic forum if he wishes to address a topic not encompassed within the purpose of the forum") (citing *Lehman*); *Perry*, 460 U.S. at 47 ("[I]n [*Lehman*] (opinion of BLACKMUN, J.), a plurality of the Court concluded that a city transit system's rental of space in its vehicles for commercial advertising did not require it to accept partisan political advertising."); *see also Air Line Pilots Ass'n*, 45 F.3d at 1153 n.3 (declining "to limit *Lehman*'s holding to situations involving captive audiences"); *Calash*, 788 F.2d at 84 (citing *Lehman* plurality opinion for proposition that "rental of space to commercial advertisers does not require City to accept political advertising on buses"). We therefore see no need to address Amtrak's argument that its policy could be justified on the basis of the captive audience doctrine.

> (1974), even though the city permitted other types of advertising on those vehicles. Similarly, we have permitted a school district to limit access to an internal mail system used to communicate with teachers employed by the district. *Perry Education Assn. v. Perry Local Educators' Ass'n*, 460 U.S. 37, 103 S. Ct. 948, 74 L.Ed.2d 794 (1983).

112 S. Ct. at 2705.

Amtrak's decision, as a proprietor, to decline to enter the political arena, even indirectly, by displaying political advertisements is certainly reasonable. Amtrak's position as a government controlled and financed public facility, used daily by thousands of people, made it highly advisable to avoid the criticism and the embarrassments of allowing any display seeming to favor any political view. This was particularly so with respect to the Spectacular in view of its uniqueness and size. *Cf. Calash*, 788 F.2d at 84 (finding the city's decision to limit access to sports arena to civic, charitable, and nonprofit groups, but not rock musicians, reasonable) (citing *Cornelius*, 473 U.S. at 809-11); *Perry*, 460 U.S. at 50-53; and *Lehman*, 418 U.S. at 304 (plurality opinion)). Nor would a policy against "political" advertising on the Spectacular be void for vagueness in light of the Supreme Court's decision in *Lehman*, 418 U.S. at 303-04 (plurality opinion).

Lebron urges us to reach the same conclusion as the district court, arguing that Amtrak's policy is unwritten, inconsistently applied, and possibly viewpoint biased. We disagree.

The fact that a policy is not committed to writing does not of itself constitute a First Amendment violation. *Cf. City of Lakewood v. Plain Dealer Publishing Co.*, 486 U.S. 750, 770 (1988) ("[T]he limits the city claims are implicit in its law must be made explicit by textual incorporation, binding judicial or administrative construction, or well-established practice."). *City of Lakewood* and the other cases cited by the district court stand for the propositions that "in the area of free expression a

licensing statute placing unbridled discretion in the hands of a government official or agency constitutes a prior restraint and may result in censorship," *id.* at 757, and that "the absence of express standards makes it difficult to distinguish, 'as applied,' between a licensor's legitimate denial of a permit and its illegitimate abuse of censorial power." *Id.* at 758.

Neither of these concerns is implicated here. Amtrak's prior written agreements, together with the testimony of the Amtrak official responsible for approving advertisements on the Spectacular and Amtrak's historic practice of reserving the Spectacular for commercial advertisements, dispel the notion that Amtrak enjoyed "unbridled discretion" or could have perpetrated an "illegitimate abuse of censorial power" in rejecting an advertisement because of its political content. Furthermore, because the policy against political advertisements was limited in scope to the Spectacular, there is no evidence that Amtrak's policy has ever been applied inconsistently.

The district court also intimated that Amtrak's policy might be void for viewpoint bias, depending upon which of the conflicting versions offered at trial represented Amtrak's true policy. Although the district court entered no findings of fact, its concern was primarily based upon statements appearing in Amtrak's 1967 and 1980 agreements with TDI, which gave Amtrak the discretion to refuse any advertising that "involve[s] political or other views which could result in dissension or involve [Amtrak] in dissension, complaints or controversy with its patrons or the public." 811 F. Supp. at 1001-02 (quoting TDI licensing agreements) (alterations partly added). Of course, if such a policy were used to screen out only controversial political advertisements—that is, political advertisements distasteful to the majority—it would be void for viewpoint bias. On the other hand, it seems more sensible to read the language as a justification, however inartfully phrased, for a categorical ban against political advertising, *see, e.g.*, *Lehman*, 418 U.S. at 304 (characterizing commercial advertising as "innocuous and less controversial" than political advertising), rather than as a test

for discriminating against certain types of political advertisements.[4]

Because we have found that Amtrak's policy against political advertisements was limited in scope to the Spectacular, Lebron's attempt to attack Amtrak's policies regarding the acceptance of advertisements in Penn Station generally, rather than on the Spectacular, amounts, in substance, to a facial challenge to those policies as they might be applied to advertisements other than Lebron's and to locations not at issue. Ordinary rules of standing, of course, would bar Lebron from mounting such a challenge. As the Supreme Court has made clear: "Embedded in the traditional rules governing constitutional adjudication is the principle that a person to whom a statute may constitutionally be applied will not be heard to challenge that statute on the ground that it may conceivably be applied unconstitutionally to others, in other situations not before the Court." *Broadrick v. Oklahoma*, 413 U.S. 601, 610 (1973) (collecting cases).

Further, "[t]he question of standing is not subject to waiver . . . : 'we are required to address the issue even if the courts below have not passed on it, and even if the parties fail to raise the issue before us. The federal courts are under an independent obligation to examine their own jurisdiction, and standing "is perhaps the most important of [the jurisdictional]

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[4] Lebron invokes *Lamb's Chapel v. Central Moriches Union Free School District*, 113 S. Ct. 2141 (1993), which invalidated a ban on the showing of religiously oriented films in public schools when secularly oriented films on the identical subjects were permitted, to argue that Amtrak's policy violates viewpoint neutrality. Lebron perceives viewpoint discrimination because "[u]nder Amtrak's policy, the Coors Brewing Company could advertise and *encourage* purchase of its beer, but Lebron's critical treatment of the same subject matter, *discouraging* purchase of Coor's beer, was rejected because it expressed a 'political' point of view." The argument is plainly specious. The "subject matter" of the Display can hardly be described, with any remote sense of accuracy, as the merits or demerits of Coors Beer. As Lebron himself stated in an affidavit, "I do not seek to sell anything other than ideas with this advertisement."

doctrines." ' " *United States v. Hays*, 115 S. Ct. 2431, 2435 (1995) (quoting *FW/PBS, Inc. v. City of Dallas*, 493 U.S. 215, 230-31 (1990) (quoting *Allen v. Wright*, 468 U.S. 737, 750 (1984))) (alteration in *FW/PBS*).

Broadrick also recognized, however, that "the Court has altered its traditional rules of standing to permit—in the First Amendment area—'attacks on overly broad statutes with no requirement that the person making the attack demonstrate that his own conduct could not be regulated by a statute drawn with the requisite narrow specificity.' " *Id.* at 612 (quoting *Dombrowski v. Pfister*, 380 U.S. 479, 486 (1965)). *Broadrick* went on to emphasize that this overbreadth doctrine "has been employed by the Court sparingly and only as a last resort." *Id.* at 613; *see also Younger v. Harris*, 401 U.S. 37, 52 (1971) ("Procedures for testing the constitutionality of a statute 'on its face' . . . are fundamentally at odds with the function of the federal courts in our constitutional plan.").

In our view, this case affords no occasion for application of the overbreadth doctrine, and Lebron accordingly lacks standing to assert a general challenge to Amtrak's advertising policies. The doctrine has only been applied to the conduct of the government in its role as a regulator, not as a proprietor. *See e.g.*, *City of Lakewood*, 486 U.S. at 759-62 (newspaper permitted to mount facial challenge to ordinance that granted municipal mayor uncircumscribed authority to allow or disallow distribution of newspapers via newsracks on public streets); *Board of Airport Comm'rs v. Jews for Jesus, Inc.*, 482 U.S. 569, 571, 574-77 (1987) (allowing overbreadth challenge to ordinance that barred "First Amendment activities within the Central Terminal Area at Los Angeles International Airport"). It is invoked against a statute that " 'threatens others not before the court - those who desire to engage in legally protected expression but who may refrain from doing so rather than risk prosecution or undertake to have the law declared partially invalid,' " *id.* at 574 (quoting *Brockett v. Spokane Arcades, Inc.*, 472 U.S. 491, 503 (1985)), and invalidation of a statute on

its face is permitted "only if the overbreadth is 'substantial.' " *Id.* (collecting cases).

Such concerns simply are not implicated by Amtrak's role as the proprietor of Penn Station, essentially seeking to derive revenues from the sale of advertising while minimizing interference with or disruption of the station's commercial function. *See Lehman*, 418 U.S. at 303 (plurality opinion). Thus, Lebron lacks standing to present a facial challenge to Amtrak's general advertising policies in this litigation. This would be so even if Lebron had adduced a stronger showing of erosion of Amtrak's policy against political advertisements than the handful of assertedly borderline cases that was presented in this litigation. As Chief Judge Newman pointed out in *Lebron II*, "Amtrak's billboard space in Pennsylvania Station, even if used in the past for ads of a public service nature, has not become a forum for ads of such pointed political content as Lebron's attack on the makers of Coors Beer for promoting 'The Far Right's political agenda.' " 12 F.3d at 394 (Newman, C.J., dissenting).

Conclusion

We reverse the judgment of the district court and remand with the instruction that the district court dismiss Lebron's complaint. As previously noted, *see Lebron II*, 12 F.3d at 392-393, Lebron is free to pursue his state law claim in state court.

JON O. NEWMAN, *Chief Judge*, dissenting:

Because I believe that Amtrak, a governmental entity now authoritatively determined to be subject to First Amendment limitations, *see Lebron v. National R.R. Passenger Corp.*, 115 S. Ct. 961 (1995), has violated the First Amendment by its rejection of the political advertisement that Michael Lebron

contracted to display on a billboard in Penn Station, I respectfully dissent.

The Court's dismissal of Lebron's lawsuit rests on two premises, both of which, in my view, are flawed. The first concerns the identification of the forum for purposes of applying public forum analysis. The second concerns the standard for determining whether a governmental actor's policy for rejecting advertisements violates First Amendment requirements.

1. *The relevant forum.* The premise of the Court's identification of the relevant forum is that, in advertising cases, a court should consider the particular billboard on which an applicant wishes to display a message. Proceeding from this premise, the Court narrows its inquiry to "the Spectacular," the large billboard high on the west wall of the rotunda of the upper level of Penn Station. No prior case has taken such a restricted view of the relevant forum, and I think it can be readily demonstrated that the Court's premise is incorrect.

The Supreme Court has instructed that the relevant forum is to be determined by "the access sought by the speaker." *Cornelius v. NAACP Legal Defense and Educational Fund, Inc.*, 473 U.S. 788, 801 (1985). The meaning of that instruction is made clear by the facts of *Cornelius*. The plaintiff sought access to what the Court called "a particular means of communication," *id.*—the Combined Federal Campaign, a charity drive aimed at federal employees. The Court ruled that the charity campaign itself was the relevant forum, rather than the entirety of the federal workplace. The cases relied on by *Cornelius* further illuminate the Court's meaning. In *Perry Education Assn. v. Perry Local Educators' Assn.*, 460 U.S. 37 (1983), the Court confined its inquiry to a school district's interschool mail system, rather than all parts of school property. *Cornelius* referred to the mail system as "a particular *means* of communication." 473 U.S. at 801 (emphasis added). In *Lehman v. City of Shaker Heights*, 418 U.S. 298 (1974), the Court confined its inquiry to advertising space on city-owned buses.

All of these cases focus on a means of communication, not the particular location where an advertiser prefers to display its ad. It is unimaginable that in *Cornelius* the Court would have permitted one political party to solicit funds through the Combined Federal Campaign at one side of the lobby of a federal building while denying another party the opportunity to solicit funds through the Campaign at the other side, or that in *Perry* the Court would have permitted one group to place a political message in the mail boxes of one school while denying another group a similar right at other schools, or that in *Lehman* the Court would have permitted political ads on one bus while prohibiting political ads on other buses.

The two cases relied on by the majority in the pending appeal, both interestingly and accurately cited with a signal meaning "compare," are also instructive. In *Air Line Pilots Assn. v. Dept. of Aviation*, 45 F.3d 1144 (7th Cir. 1995), the Court focused on diorama display cases throughout an airport, rather than the entirety of the airport. The Court did not limit its analysis to one display case. In *Hubbard Broadcasting, Inc. v. Metropolitan Sports Facilities Commission*, 797 F.2d 552 (9th Cir.), *cert. denied*, 479 U.S. 986 (1986), the Court focused on all advertising space in a sports arena, rather than the entirety of the arena. The Court did not limit its analysis to one portion of the advertising space.

Nevertheless, the Court in the pending case limits its public forum analysis to the one billboard in Penn Station on which Lebron wishes to display his ad—the so-called "Spectacular." There is no question that this billboard is bigger than any other in Penn Station, more visible, and, if one can afford it, more desirable. But public forum analysis cannot be so particularized as to focus on one of several billboards on government property, no matter how preferable that one billboard's size and location may be to an advertiser. The reason can be readily demonstrated. As everyone who has ever walked through Penn Station knows, the Spectacular is high atop the west wall of the station's rotunda, and two small billboards are

high atop the north and south walls of the same rotunda. If Amtrak had permitted the Democratic Party to place political ads on either of the two smaller billboards in the rotunda, can it be seriously argued that any court would limit its forum analysis to the one large billboard and permit Amtrak to deny the Republican Party the opportunity to place its political ad on the Spectacular, just because no political ad had previously been on that precise space?

The relevant forum must be at least advertising space in the rotunda of Penn Station—the means of communication to which Lebron sought access. Once the forum is defined to have at least this scope, Amtrak's violation of the First Amendment is evident because it has leased advertising space on a kiosk in the rotunda for *The Plain Truth*, a magazine the Court acknowledges is devoted to "political and social issues." It is clearly unconstitutional for Amtrak to permit its advertising space in the rotunda to be used to convey the message of *The Plain Truth* and deny space in the same rotunda to the message that Lebron believes conveys the plain truth about the brewers of Coors Beer.

2. *Amtrak's policy.* Even if the relevant forum is the one billboard space known as The Spectacular, the Court's second premise—that the scope and lawfulness of Amtrak's exercise of discretion regarding political ads may be ascertained solely from its past practice—is also unsound. The proper inquiry, the Supreme Court has instructed, focuses not solely on past practice but on "policy and practice," *Cornelius*, 473 U.S. at 802; *see Lehman*, 418 U.S. at 303 ("policies and practices"). If it were the case that the only evidence of Amtrak's approach to political ads was its past practice, an inquiry confined to that practice would be defensible. But the record in this case contains more evidence, and the District Court made findings based on that evidence that are not even arguably clearly erroneous.

First, the agreement between Amtrak and Transportation Displays Incorporated (TDI), the leasing agent for billboards

in Penn Station, states, "All advertising material, exhibit material, notices and advertisements, and their manner of presentation and design, shall be subject to approval by Amtrak, which may disapprove any such items at its own discretion." *Lebron v. National R.R. Passenger Corp.*, 811 F. Supp. 993, 1002 (S.D.N.Y. 1993). It is difficult to imagine a more standardless statement of policy. Second, as the District Court found, neither the key Amtrak official responsible for supervising Amtrak's arrangements with TDI nor any of the executives of TDI knew of any prohibition on political advertising at any of Amtrak's facilities. *Id.* Third, other key Amtrak officials could not agree on what Amtrak's policy was. One testified that the policy prohibited only those advertisements that were both "political and divisive or objectionable," while another could not say what the policy meant. *Id.* Fourth, the guidelines of Amtrak's leasing agent, TDI, do not prohibit political advertisements but merely consider them commercial and therefore subject to full rate charge. *Id.* at 1003.

In view of this evidence, the District Court's findings that Amtrak's alleged policy against political ads was unwritten, unclear, and undisseminated provide ample basis for the Court's ultimate conclusion that the policy permitted the unfettered exercise of discretion and created the risk of abuse that the First Amendment prohibits. *See Lebron v. Washington Metropolitan Area Transit Authority*, 749 F.2d 893, 899 (D.C. Cir. 1984).

Disregarding the evidence and the District Judge's findings, this Court ascertains Amtrak's policy solely by looking to the past practice of not yet contracting for a political ad on the Spectacular. But where a policy is unwritten, unclear, and undisseminated, the fact that it has not yet been used discriminatorily does not save it from invalidation under the First Amendment. The vice of conferring unfettered discretion on government officials to determine which messages may be conveyed is not avoided by their past pattern of not making a discriminatory decision. The vice inheres in the opportunity for

discrimination, and the First Amendment requires that opportunity to be held to an acceptable minimum by a clear and well understood policy that appropriately limits the discretion of the officials who must administer it. *See Gentile v. State Bar of Nevada*, 111 S. Ct. 2720, 2732 (1991) (imprecise standards concerning permissible statements by lawyers); *Lakewood v. Plain Dealer Publishing Co.*, 486 U.S. 750, 755-59 (1988) (unfettered discretion to permit newspaper dispensing devices on governmental property). As the Supreme Court has observed,

> The prohibition against vague regulations of speech is based in part on the need to eliminate the impermissible risk of discriminatory enforcement. . . . The question is not whether discriminatory enforcement occurred here, and we assume it did not, but whether the Rule is so imprecise that discriminatory enforcement is a real possibility."

Gentile, 111 S. Ct. at 2732 (citations omitted). In some cases, it might be possible to infer the existence of a policy that passes constitutional muster from a record consisting solely of a pattern of past practice. But in the pending case such a policy cannot be inferred from past practice in the face of substantial evidence that has persuaded a District Judge to make findings that the alleged policy was not understood by the officials responsible for administering it.

Wholly apart from the absence of a clear, understandable, and understood policy, Lebron might be correct that, to the extent that the defendant's policy purports to bar political ads, it is a viewpoint-based discrimination that violates the First Amendment. *See Air Line Pilots Assn. v. Department of Aviation*, 45 F.3d 1144 (7th Cir. 1995). As Lebron contends, the defendants are willing to display an ad urging the public to buy Coor's beer but are unwilling to display his ad urging the public not to do so. He makes a substantial argument that viewpoint-based discrimination is occurring when government allows an ad promoting the sale of a product, but purports to

prohibit an ad opposing a product because of the views of its manufacturer. Presumably, Amtrak would allow an ad opposing the sale of Coor's beer because of its alcoholic content or for any reason unrelated to the views of its manufacturer. I need not decide whether to accept Lebron's argument since his other positions are well supported on this record.

In my view, the District Court's findings, fully supported by the evidence, entitled Lebron to prevail on his claim that Amtrak's refusal to permit display of his ad violated the First Amendment. At a minimum, he is entitled to a declaration that Amtrak has violated the First Amendment, damages (to the extent, if any, not precluded by *F.D.I.C. v. Meyer*, 114 S. Ct. 996, 1004-06 (1994)), and equitable relief requiring promulgation and dissemination of a clear policy concerning political ads. Since the Court concludes that Amtrak has no liability at all, I need not consider the further issue of whether the equitable relief ought to include a requirement that Lebron's ad be displayed. My statement from the prior appeal, 12 F.3d at 394 (Newman, C.J., dissenting), quoted by the Court out of its context, was directed solely at the issue of the possible scope of relief, not the issue of liability on which the Court today rules.

I respectfully dissent.

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

No. 1494—August Term, 1992

(Argued: April 27, 1993 Decided: December 27, 1993

Reversed and Remanded: February 21, 1995

Reargued: May 11, 1995 Decided: October 30, 1995

On rehearing: December 29, 1995)

Docket No. 93-7127

MICHAEL A. LEBRON,

Plaintiff-Counter-Defendant-Appellee,

—vs.—

NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK),

Defendant-Appellant,

—and—

TRANSPORTATION DISPLAYS, INCORPORATED,

Defendant-Counter-Claimant.

Before:

NEWMAN, *Chief Judge*, and
LUMBARD and MAHONEY, *Circuit Judges*.

Opinion on rehearing of this Court's October 30, 1995 reversal of the judgment of the United States District Court for the Southern District of New York, Pierre N. Leval, *Judge*, that granted an injunction to plaintiff-counter-defendant-appellee Michael A. Lebron requiring defendant-appellant National Railroad Passenger Corporation (Amtrak) and defendant-counter-claimant Transportation Displays, Incorporated to display a political advertisement prepared by Lebron on a large billboard known as the Spectacular in New York City's Pennsylvania Station. The petition for rehearing is denied. Chief Judge Newman dissents in a separate opinion.

GLORIA C. PHARES, New York, New York, (Paul, Hastings, Janofsky & Walker, New York, New York, R. Bruce Rich, Bernadette McCann Ezring, Jonathan Bloom, Marc Brotman, Weil, Gotshal & Manges, New York, New York, David D. Cole, Center for Constitutional Rights, Washington, D.C., of counsel), *for Plaintiff-Counter-Defendant-Appellee*.

KEVIN T. BAINE, Washington, D.C. (Nicole K. Seligman, Steven M. Farina, Williams & Connolly, Washington, D.C., William G. Ballaine, Mark S. Landman, Siff Rosen P.C., New York, New York, of counsel), *for Defendant-Appellant*.

MAHONEY, *Circuit Judge*:

Plaintiff-Counter-Defendant-Appellee Michael A. Lebron petitions for rehearing of this Court's decision in *Lebron v.*

National Railroad Passenger Corp. (Amtrak), No. 93-1727, [App., *supra*, 1a] (2d Cir. Oct. 30, 1995) ("*Lebron I*"), familiarity with which is assumed. We deny the petition for rehearing, but amend *Lebron I* as follows:

1. The sentence at [App., *supra*, 15a, lines 14-17], is deleted.

2. The sentence at [App., *supra*, 16a, lines 3-9], is amended to read as follows:

> Because Lebron insisted that TDI display his proposed advertisement only on the Spectacular, his attempt to attack Amtrak's policies regarding the acceptance of advertisements in Penn Station generally, rather than on the Spectacular, amounts, in substance, to a facial challenge to those policies as they might be applied to advertisements other than Lebron's and to locations not at issue.

3. The two sentences at [App., *supra*, 18a, lines 19-22], are replaced by the following:

> We reverse the judgment of the district court and remand for consideration of Lebron's contract claim and TDI's counterclaim for a declaratory judgment that it is entitled to terminate the Lease. Because initial subject matter jurisdiction over Lebron's federal claim is now clear, and a full trial has been "conducted on an expedited basis, upon written submissions," *Lebron I*, 811 F. Supp. at 994, the interests of judicial economy and fairness to the parties counsel that this litigation be completed in federal court.

We note the assertion in Chief Judge Newman's dissent from this disposition of the petition for rehearing that we now approve an inconsistent Amtrak policy because, "as the District Court found, advertisements falling within a broad category of political messages had been displayed in Penn Station." Judge Leval concluded only that a handful of the

advertisements shown in Penn Station over the years had been "arguably 'political.' " *Lebron v. National R.R. Passenger Corp. (Amtrak)*, 811 F. Supp. 993, 1004 (S.D.N.Y. 1993) (referring to advertisements by New York Department of the Environment, New York Department of Commerce, a foundation for muscular dystrophy, and *Plain Truth* magazine; and public service advertisements concerning "subjects such as the homeless, the environment, drunk driving, AIDS awareness, health issues, and race relations"). Amtrak is probably entitled to consider such advertisements as "public service announcements" within the meaning of its standard licensing agreement. *See Lebron I*, [App., *supra*, 6a-7a]. In any event, "Amtrak's billboard space in Pennsylvania Station, even if used in the past for ads of a public service nature, has not become a forum for ads of such pointed political content as Lebron's attack on the makers of Coors beer for promoting 'the Far Right's political agenda.' " *Lebron v. National R.R. Passenger Corp.*, 12 F.3d 388, 394 (2d Cir 1993) (Newman, C.J., dissenting), *rev'd and remanded*, 115 S. Ct. 961 (1995).

We rely upon *Lebron I* with respect to our analysis of the forum issue. *See id.*, [App., *supra*, 8a-14a].

JON O. NEWMAN, *Chief Judge*, dissenting:

I respectfully dissent from the denial of the petition for rehearing.

When the Court first issued its opinion on the merits of Lebron's First Amendment challenge, it premised substantial portions of its ruling on the view that Amtrak's advertising policy on political messages, whatever the policy's content, was limited in geographic scope to the one large billboard in Penn Station known as "the Spectacular." Lebron's petition for rehearing challenges that premise, pointing out unrefuted contrary evidence in the record, a contrary assumption, if not

a finding, underlying the District Court's analysis, and the acknowledgement by Amtrak in its appellate brief that its policy "applies to all advertising in Amtrak's facilities." Brief for Appellant at 7. The Court responds to Lebron's petition by amending its opinion to delete the two passages of the opinion as originally issued that had asserted that Amtrak's policy against political advertisements is limited to the Spectacular.

Though the deletions are fully justified, they leave the Court's legal analysis of Lebron's First Amendment challenge even more vulnerable than I thought it was at the time of the original opinion. *See* ___ F.3d ___, ___ (Newman, C.J., dissenting). For example, the original opinion had concluded that there is no evidence that Amtrak's policy has ever been applied inconsistently "because the policy against political advertising was limited in scope to the Spectacular." Id. at ___. The revised recognition that Amtrak's policy, whatever its content, is not limited in scope to the Spectacular leaves unsupported the majority's view that the policy has not been applied inconsistently. In fact, as the District Court found, advertisements falling within a broad category of political messages had been displayed in Penn Station.[1] The majority has concluded that the policy has been consistently applied by overlooking the instances where it has not been consistently applied. This conclusion, previously reached on

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[1] The majority again notes, as it did in the initial opinion on the merits, that my dissent from the very first *Lebron* ruling had observed that Penn Station "has not become a forum for ads *of such pointed political content* as Lebron's [proposed ad for the Spectacular.]" 12 F.3d at 394 (emphasis added). The fact that the ads Amtrak previously allowed in Penn Station were only of a general political nature and did not contain political content as "pointed" as Lebron's ad does not detract in any way from the District Court's finding, supported by abundant evidence, that the Amtrak policy has been inconsistently applied. Whether the difference between Lebron's ad and prior ads should have a bearing on the scope of relief, which is the issue I discussed in the prior dissent, is an issue entirely different from whether Amtrak has incurred liability for applying its "policy" inconsistently in violation of the First Amendment.

a view that the policy applied only to one location, is left in place, even though there is now recognition that the policy applies throughout Amtrak's facilities.

Perhaps the majority now means to rest its ultimate conclusion solely on its view that the relevant forum for purposes of public forum analysis is only the Spectacular. I previously set forth my reasons for thinking that that view is not legally sound. *See id.* at ___-___. With the factual underpinning of the majority's view as to the scope of the Amtrak policy now discarded, I simply note that the public forum view of the majority, even if correct, is irrelevant since, no matter what the scope of the forum, a governmental entity violates the First Amendment when it bars display of political messages pursuant to a "policy" that has been found by a fact-finder, with abundant evidentiary support, to be vague, unwritten, undisseminated, unclear to those who must administer it, and inconsistently applied. In *Board of Airport Commissioners v. Jews for Jesus, Inc.*, 482 U.S. 569 (1987), the Supreme Court found it unnecessary to decide whether the Los Angeles International Airport was a public forum because the governmental ordinance regulating speech on the premises was constitutionally defective. *Id.* at 573-74. The constitutional defects in Amtrak's "policy" similarly make public forum analysis irrelevant.

I agree with the majority that the state law issues are properly returned to the District Court for further consideration, but I would grant the petition for rehearing.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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92 Civ. 9411 (PNL)

Dated: February 5, 1993

As Amended February 8, 1993

MICHAEL A. LEBRON,

Plaintiff,

—v.—

THE NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK) and TRANSPORTATION DISPLAYS INCORPORATED,

Defendants.

OPINION AND ORDER

Findings of Fact and Conclusion of Law

PIERRE N. LEVAL, U.S.D.J.

This is a so-called "Bivens" action,[1] brought under the First Amendment by an artist, Michael A. Lebron, would-be lessor of a gigantic billboard in New York's Pennsylvania Station. The primary defendant is Amtrak, the National Passenger Railroad Corporation, which, as owner of the billboard, rejected the two-month lease plaintiff had contracted for with Amtrak's leasing agent because plaintiff's display was "polit-

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[1] *See Bivens v. Six Unknown Named Agents*, 403 U.S. 388 (1971).

ical." Plaintiff contends the rejection was inconsistent with the requirements of the First Amendment. He sues to invalidate the rejection so that he can obtain the benefit of his lease agreement.

As an alternative theory, plaintiff alleges that Amtrak and its leasing agent Transportation Displays Incorporated ("TDI"), the second defendant, are estopped by reason of delay from denying plaintiff's contract.

On the consent of the parties, trial was conducted on an expedited basis, upon written submissions. The court's findings of fact and conclusions of law are as follows.

Background

Lebron is an artist who creates works for display on billboards. His works often involve commentary on public issues. *See, e.g., Lebron v. Washington Metropolitan Area Transit Authority*, 749 F.2d 893 (D.C. Cir. 1984). During 1991 and 1992, he made plans for a photomontage for a particular billboard in Penn Station. The billboard is known as the Spectacular; it is a curved, back-lit display space approximately 103 feet wide and 10 feet high, covering the east-facing wall of the rotunda area, facing passengers (and others) who walk westward toward the waiting areas, ticket booths, and train platforms.

Defendant TDI is an advertising agency that handles the leasing of billboards for many of Amtrak's properties and for other billboard owners in the rail transportation system. Amtrak has authorized TDI to lease the billboards in Penn Station. While the licensing agreement reserves for Amtrak the right of approval of all advertising copy, in practice, Amtrak does not review advertising copy, excepting advertisements for the Spectacular.

In August 1991, Lebron first contacted TDI about contracting for billboard space in Penn Station. He spoke from time to time with William B. Schwartz, a TDI account executive. Schwartz told him that while no displays would be

accepted that included obscenity or violence, there were no other policy restrictions on advertising.

The Spectacular was available for two months at the beginning of 1993. Lebron and TDI reached agreement on financial terms of $18,500 a month for January and February 1993. In August 1992, Schwartz gave Lebron the standard rental form contract, which Lebron signed and returned. During the negotiations, Schwartz asked Lebron what he would display on the billboard. Lebron responded that in general his work was political, although it often looked like advertising, but that he preferred to keep confidential the specific content of the work he was creating for the Spectacular. Schwartz did not suggest that the political nature of the work would be a problem.

On November 30, 1992, TDI signed the agreement. The terms of the contract included the following:

> All advertising copy is subject to approval of TDI and the Transportation Facility concerned [*i.e.*, the owner of the billboard] as to character, text, illustration, design and operation.
>
> If for any cause beyond its control TDI shall cease to have the right to continue the advertising covered by this contract, or if the Transportation Facility concerned should deem such advertising objectionable for any reason, TDI shall have the right to terminate the contract and discontinue the service without notice.

During the fall, Lebron worked on creation of his piece for the 10 × 103 foot space. On December 2, 1992, he provided TDI with a color photocopy of his piece. The work is a photomontage, accompanied by considerable text. Taking off on a widely circulated Coors beer advertisement which proclaims Coors to be the "Right Beer," Lebron's piece is captioned "Is it the Right's Beer Now?" It includes photographic images of convivial drinkers of Coors beer, juxtaposed with a Nicaraguan village scene in which peasants are menaced by a can of Coors that hurtles towards them, leaving behind a tail of

fire, as if it were a missile. The accompanying text, appearing on either end of the montage, criticizes the Coors family for its support of right-wing causes, particularly the contras in Nicaragua. Again taking off on Coors' advertising which uses the slogan of "Silver Bullet" for its beer cans, the text proclaims that Coors is "The Silver Bullet that aims The Far Right's political agenda at the heart of America."

On December 7, TDI sent the work on to Amtrak for approval. Ten days later, Anthony DeAngelo, the Amtrak Vice President for Real Estate and Operations Development, the person authorized by Amtrak's Board of Directors to oversee third-party advertising located on Amtrak property, disapproved Lebron's work on the grounds that it was "political." Amtrak notified TDI of this decision on December 23 in a letter stating that "Amtrak's policy is that it will not allow political advertising on the [S]pectacular advertising sign." Lebron learned of Amtrak's rejection from TDI on December 29, 1992, three days before his advertisement was to appear in the Spectacular.

Discussion

A. *Governmental Action*

Lebron contends that in rejecting his work Amtrak engaged in censorship in violation of his free speech rights under the First Amendment. Alternatively put, he contends that Amtrak's actions violated the requirements that the First Amendment imposes on governmental regulation of speech. The prohibitions of the First Amendment are "a restraint on government action, not that of private persons." *Columbia Broadcasting System, Inc. v. Democratic National Committee*, 412 U.S. 94, 114 (1973) (citing *Public Utilities Comm'n v. Pollak*, 343 U.S. 451 (1952)).

Amtrak claims it is a private entity, immune from the restrictions of the First Amendment and, to the contrary, guaranteed the right under the First Amendment to control speech on its billboards in whatever fashion it chooses. The first

issue in contention thus turns on whether Amtrak should be deemed a governmental or a private actor for these purposes.

"Conduct that is formally 'private' may become . . . so impregnated with a governmental character as to become subject to the constitutional limitations placed upon state action." *Evans v. Newton*, 382 U.S. 296, 299 (1966). The Supreme Court has outlined several ways through which the activities of a private entity can become governmental action. One such standard is relevant here.[2] Under this standard, known as the "symbiotic relationship" test, private activity becomes subject to the restrictions that the Constitution imposes on government when the government "has so far insinuated itself into a position of interdependence with [the private entity] that it must be recognized as a joint participant in the challenged activity." *Burton v. Wilmington Parking Auth.*, 365 U.S. 715, 725 (1961); *accord Evans v. Newton*, 382 U.S. at 299. There must be a " 'sufficiently close nexus between the State and the challenged action . . . so that the action of the [private actor] may be fairly treated as that of the State itself.' " *Blum v. Yaretsky*, 457 U.S. 991, 1004 (1982) (quoting *Jackson v. Metropolitan Edison Co.*, 419 U.S. 345, 351 (1974)). *See also Myron v. Consolidated Rail Corp.*, 752 F.2d 50, 54 (2d Cir. 1985) (same standards applied in assessing "federal action"

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[2] The other two standards are the "public function" doctrine, *Flagg Bros., Inc. v. Brooks*, 436 U.S. 149, 157 (1978), and the "state compulsion" doctrine, *Adickes v. S. H. Kress & Co.*, 398 U.S. 144 (1970). The latter is applicable when the government "has exercised coercive power or has provided . . . significant encouragement, either overt or covert," to bring about the challenged action. *Blum v. Yaretsky*, 457 U.S. 991, 1004 (1982). The former doctrine holds government action may be present "if the private entity has exercised powers that are 'traditionally the exclusive prerogative of the State.'" *Blum*, 457 U.S. at 1005 (quoting *Jackson v. Metropolitan Edison Co.*, 419 U.S. 345, 353 (1974)); *see also Flagg Bros., Inc. v. Brooks*, 436 U.S. 149, 160 (1978). It is not enough that the government has authorized a private entity to perform a task; it must be a role traditionally performed by the state. *See Flagg Bros.*, 436 U.S. at 160-62; *Jackson*, 419 U.S. at 352-53; *see also Marsh v. Alabama*, 326 U.S. 501 (1946) (company town with all the attributes of public town subject to constitutional limitations).

as for "state action") (citing cases). The symbiotic relationship test "focuses on the [government's] overall relationship with the private actor," *Hadges v. Yonkers Racing Corp.*, 918 F.2d 1079, 1082 (2d Cir. 1990), and "does not require that the plaintiff demonstrate that the state was involved in the challenged conduct." *Stevens v. New York Racing Ass'n, Inc.*, 665 F. Supp. 164, 171 (E.D.N.Y. 1987).

The Supreme Court has consistently emphasized that the issue of state, or governmental, action turns on a factual inquiry specific to each situation. "Only by sifting facts and weighing circumstances can the nonobvious involvement of the State in private conduct be attributed its true significance." *Burton v. Wilmington Parking Authority*, 365 U.S. at 722 (private restaurant, operated in space leased from city owned parking garage, that refused service to blacks, deemed governmental actor where revenues from discriminatory service ultimately financed the public parking facility); *see Skinner v. Railway Labor Executives Ass'n*, 489 U.S. 602, 614 (1989) ("Whether a private party should be deemed an agent or instrument of the Government for Fourth Amendment purposes necessarily turns on the degree of the Government's participation in the private party's activities, a question that can only be resolved 'in light of all the circumstances.' ") (citations omitted); *Lugar v. Edmondson Oil Co.*, 457 U.S. 922, 939 (1982) (determination "necessarily fact-bound"); *see also Rendell-Baker v. Kohn*, 457 U.S. 830, 838 (1982) (private remedial school held to be non-governmental, notwithstanding state regulation and funding, in a suit by discharged teachers).

I conclude, based on examination of the federal government's deep and controlling entwinement in Amtrak's structure and operations, that, when Amtrak undertakes to control the content of speech on its billboards, its conduct must be deemed governmental rather than private.

What is clear at a glance is that Amtrak does not comfortably fit the conventional mold of either private or governmental entity.

In form and name it resembles more closely a private entity. It is a for-profit business corporation and is decreed by act of Congress "not [to] be an agency, instrumentality, authority, or entity, or establishment of the United States Government." 45 U.S.C. § 541. Its common stock is owned by private railroad companies.

On the other hand, in both image and reality, it is impregnated with governmental character and inseparably intertwined with governmental authority and financing. Looking first at the symbolic, Congress established Amtrak, 45 U.S.C. § 501, and defined it as a "mixed-ownership government corporation." 31 U.S.C. § 9101. It is defined in the Americans with Disabilities Act, 42 U.S.C. § 12101, *et seq.*, as a "public entity."[3] 42 U.S.C. § 12131(1)(C).

More significant is the governmental penetration of Amtrak's operations. All of Amtrak's directors are appointed directly or indirectly by the President of the United States. 45 U.S.C. § 543. Of its nine board members, five are directly appointed by the President;[4] the sixth is the Secretary of Transportation sitting ex officio, who is also appointed directly by the President. Two board members are selected by the United States Government, as the owner of all of Amtrak's preferred stock. The final member of the board is the president of Amtrak, who is selected by the other directors. The parties agree that Amtrak's board is responsible for controlling Amtrak and would have the authority to approve or disapprove of Amtrak's advertising policies throughout its facilities. Indeed, the board has, by resolution, authorized Amtrak's current agreements with TDI concerning advertising.

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[3] Amtrak is also subject to the Freedom of Information Act. 45 U.S.C. § 546(g).

[4] One is selected from a list supplied by the Railway Labor Executives Association, one from among the governors of states with an interest in rail transportation, and one as a representative of business with an interest in rail transportation. 45 U.S.C. § 543(a)(1)(C). Two directors are selected from lists of names supplied by commuter authorities that work with Amtrak. § 543(a)(1)(D)(ii).

The federal government is also deeply involved in the financing of Amtrak's operations. Every year, Congress appropriates the sum necessary to cover the shortfall of Amtrak's operating results. *See* 45 U.S.C. § 601.[5] For example, for the fiscal year ending September 30, 1993, Congress has appropriated up to $846 million for Amtrak's operating losses, capital improvements, tax liability, and labor protection costs and for the Northeast Corridor Improvement Program. Pub. L. 102-388, 106 Stat. 1520 (Oct. 6, 1992). For this reason, Amtrak's revenues from the leasing of its billboard space are, in a sense, revenue of the federal government. Every dollar of net billboard revenue realized by Amtrak results in a one dollar reduction of the subsidy obligation of the federal government. Conversely, if Amtrak subsidized any exhibitor on its billboards by charging less than the market rate, the display would essentially be financed by the federal government.[6]

Amtrak has also been vested with various attributes of governmental character. For example, Congress has given Amtrak the power of eminent domain, 45 U.S.C. § 545(d), exemption

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[5] In fact, as the parties have agreed, in 1976, Amtrak's fiscal year end for accounting purposes was changed from December 31 to September 30 "to coincide with the fiscal year adopted by the federal government and used in providing federal assistance to [Amtrak]."

Congress stated as a goal that Amtrak use its "best business judgment in taking actions to minimize Federal subsidies." 45 U.S.C. § 501a(1), and Congress encouraged Amtrak to "enter into agreements with the private sector and undertake initiatives which are consistent with good business judgment and designed to maximize its revenues and minimize Federal subsidies." 45 U.S.C. § 501a(14).

[6] *See Burton*, 365 U.S. at 724 (discriminatory practices of restaurant allegedly increased business and therefore benefitted the restaurant's landlord, the government, supporting finding of state action); *Citizens to End Animal Suffering & Exploitation, Inc. v. Faneuil Hall Marketplace, Inc.*, 745 F. Supp. 65, 73 (D. Mass. 1990) (state action finding supported by fact that success of private entity served financial interests of city in reviving urban area); *Stevens v. New York Racing Ass'n. Inc.*, 665 F. Supp. at 172-75 (likelihood of state action where excess revenues of the non-profit association went to the state).

from state and local taxes and fees, including all real estate taxes, 45 U.S.C. § 546(b), and various loan guarantees, 45 U.S.C. § 602, so that it borrows under the credit of the federal government. Amtrak is required to report annually to Congress on its operations. 45 U.S.C. § 548.

Finally, the federal government has invested billions of dollars in Amtrak's properties. Amtrak acquired its Northeast Corridor properties, including Penn Station, by statutory condemnation paid for by the United States.[7] *See* Regional Rail Reorganization Act of 1973, 45 U.S.C. § 701 *et seq*. The federal government has also invested billions of dollars in the improvement of Amtrak's Northeast Corridor facilities. *See* 45 U.S.C. § 854 (authorizing up to $2.5 billion). While Amtrak owns the fee in Penn Station, the federal government holds a mortgage on it, and indeed on all the Northeast Corridor properties.[8]

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[7] After much litigation and negotiation, the federal government, in 1981, paid Penn Central $2.113 billion as compensation for the Northeast Corridor properties, including Penn Station.

[8] In addition, portions of Penn Station are used by other governmental entities under leases with Amtrak. For example, Amtrak leases significant portions of Penn Station to the Long Island Rail Road (LIRR) and New Jersey Transit (NJT), both public entities, for the operation of their respective rail passenger services. An array of leases and joint agreements among Amtrak, LIRR, and NJT govern the management of public areas of Penn Station and the funding of construction and maintenance of various train and tunnel facilities. Hence, portions of the station occupied by LIRR and NJT are subject to constitutional limitations, and these areas are largely contiguous with those controlled by Amtrak. Indeed, some facilities of LIRR and NJT, such as ticket and information booths, are in the midst of Amtrak's facilities on the same floor of Penn Station as the Spectacular. Notably, the public therefore has little way of knowing whether or not it is in an area where constitutional limitations apply. *See Coleman v. Wagner College*, 429 F.2d 1120, 1127 (2d Cir. 1970) (Friendly, J., concurring) (suggesting that one rationale for holding of *Burton* is that when "citizens may reasonably believe [action] to have been taken at the state's instance, state action may legitimately be found even though the state left the private actors almost complete freedom of choice").

Thus, when Amtrak undertakes to control the content of the messages on its billboards in Penn Station, these controls are exercised by a corporation whose directors are appointed by the President, whose operations are financed by the federal government, and whose properties, in major part, are mortgaged to the federal government.

Amtrak contends that it cannot be deemed a governmental actor. It first cites a range of cases which found in various contexts that Amtrak is not a government agency or entity. *See, e.g., National R.R. Passenger Corp. v. Atchison, T. & S.F. Ry. Co.*, 470 U.S. 451, 454 (1985); *National R.R. Passenger Corp. v. Two Parcels of Land*, 822 F.2d 1261, 1264 (2d Cir.), *cert. denied*, 484 U.S. 954 (1987); *Ehm v. National R.R. Passenger Corp.*, 732 F.2d 1250, 1253-56 (5th Cir.), *cert. denied*, 469 U.S. 982 (1984); *Kimbrough v. National R.R. Passenger Corp.*, 549 F. Supp. 169, 173 (M.D. Ala. 1982); *Sentner v. Amtrak*, 540 F. Supp. 557 (D.N.J. 1982). These cases do not determine the question in this case. Plaintiff does not contend that Amtrak is a governmental agency. What plaintiff contends is that the federal government is sufficiently entwined in Amtrak's operations and authority that the particular actions at issue must be deemed governmental action.

Next Amtrak relies on a number of cases in which discharged employees charged either Amtrak or the similarly structured Consolidated Rail Corporation ("Conrail") with unconstitutional governmental action. In each of these cases, the courts held that Amtrak's (or Conrail's) actions in dealing with its employees were not deemed to be governmental action. *See, e.g., Myron v. Consolidated Rail Corp.*, 752 F.2d 50 (2d Cir. 1985) (constitutional limitations do not apply to the activities of Conrail in discharging an individual employee); *Anderson v. National R.R. Passenger Corp.*, 754 F.2d 202, 204 (7th Cir. 1984) (in challenge to employee termination, Amtrak not a state actor); *Andrews v. Consolidated Rail Corp.*, 831 F.2d 678 (7th Cir. 1987) (Conrail not state actor in refusing to reinstate employee); *Morin v. Consolidated Rail Corp.*, 810 F.2d 720 (7th Cir. 1987) (no state

action in discharging employee); *Marcucci v. National R.R. Passenger Corp.*, 589 F. Supp. 725 (N.D. Ill. 1984) (no state action in wrongful discharge suit); *Rost v. National R.R. Passenger Corp.*, 1989 WL 104809 (E.D. Pa. Sept. 11, 1989) ("no allegations concerning the nexus between the federal government and Amtrak's personnel practices."); *Hankin v. National R.R. Passenger Corp.*, 1987 U.S. Dist. LEXIS 10741 (N.D. Ill. Nov. 16, 1987) (following *Anderson*); *cf. Railway Labor Executives Ass'n v. National R.R. Passenger Corp.*, 691 F. Supp. 1516, 1524 n.11 (D.D.C. 1988) (drug testing by Amtrak not Fourth Amendment violation). Amtrak argues that these authorities conclusively determine for the present litigation that it is not a governmental actor.

The argument is unpersuasive. The fact that Amtrak is considered a private employer in administering its employment of personnel does not mean it will be deemed private when it regulates speech. Whether conduct of a particular entity will be deemed governmental action can vary with the type of action at issue.[9] As Judge Friendly explained in *Wahba v. New York University*, 492 F.2d 96, 100 (2d Cir. 1974), "we do not find decisions dealing with one form of state involvement and a particular provision of the Bill of Rights at all determinative in passing upon claims concerning different forms of government involvement and other constitutional guarantees." *See also Weise v. Syracuse University*, 522 F.2d 397, 404 (2d Cir. 1975). Indeed Amtrak conceded at oral argument that, if it restricted service to passengers on the basis of race, religion, or national origin, it would be deemed a governmental actor in that respect. *See Burton v. Wilmington Parking Authority, supra.*

In my view, the regulation of public speech through the use of the billboards in public train stations raises very different

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[9] Indeed, several courts have concluded that Amtrak can be a state actor in the context of false arrest claims brought against Amtrak security officers. *See, e.g., Merola v. National R.R. Passenger Corp.*, 683 F. Supp. 935, 940-41 (S.D.N.Y. 1988); *Sisak v. National Railroad Passenger Corp.*, 1992 WL 42245 (S.D.N.Y. February 24, 1992).

considerations from Amtrak's administration of its work force.

In actions based on an employer's dealings with employees, no particularly great significance attaches to whether the employer's actions are deemed to be private or governmental. There are no important policies of the Constitution that would be undermined by permitting an employer that is entwined with government to deal with employees under the rules that govern private employers. On the other hand, where the conduct in question is the regulation of speech, enormous differences follow from whether the actor is deemed to act as government or as a private individual. And to allow an entity controlled by and intertwined with the government to regulate, control, or censor speech in the manner that is permitted for a private actor risks to do enormous damage to one of the most important principles of the Bill of Rights.

If Amtrak is deemed a private actor for this purpose, it would enjoy the full range of the private citizen's rights of free speech under the First Amendment. It would be free to exercise discriminatory control over the messages transmitted by its billboards. For example, as the Presidential election approached, Amtrak would have the absolute right to devote all of its billboards to champion the reelection of the incumbent president and warn of danger to the republic if the challenger should be elected. Amtrak would enjoy this right, just like the owner of a private bar or bowling alley who has the undeniable right to cover the walls, if he chooses, with posters advocating the reelection of the president. Similarly, Amtrak would be free to sponsor advertisements on its billboards either opposing abortion or favoring choice; it could likewise advocate adherence to Catholicism and deprecate Protestantism, or vice versa, as it chose.

If, on the other hand, Amtrak's billboard regulation is deemed governmental, Amtrak would be barred from favoring a political candidate, from favoring messages of any chosen viewpoint, from sponsoring messages that established religion, from exercising arbitrary discrimination in allowing access to its billboards, and from regulating the speech of its

billboard tenants in any way, except within narrow parameters.

Among the most powerful principles asserted by our Constitution are those found in the First Amendment designed to prevent Government from exercising discretionary control over the content of the speech of private persons and entities. "Regulations which permit the Government to discriminate on the basis of the content of the message cannot be tolerated under the First Amendment," *Regan v. Time, Inc.*, 468 U.S. 641, 648-49 (1984) (citations omitted), for "the Government's ability to impose content-based burdens on speech raises the spector that the Government may effectively drive certain ideas or viewpoints from the marketplace." *Simon & Schuster, Inc. v. Members of New York State Crime Victims Bd.*, 112 S.Ct. 501, 508 (1991) (citation omitted).

Given the force of this principle, it is inconceivable that Amtrak, whose directors are appointed by the President, whose operations are financed by the Government, and which is subject to Governmental control and intertwinement in all the respects outlined above, would be free under the First Amendment to donate its billboards to the support of the incumbent President's reelection campaign. But that is the inevitable consequence if Amtrak is correct in its contention that it is engaged in private action when it controls the content of ads on its billboards.

One might argue that the conclusion should be otherwise when control is exercised not by the Presidentially-appointed directors, but by a lower level employee. But the argument is not persuasive. Regardless to what degree the board of directors exercises its control, it has the power to control the actions of the corporation it governs. Furthermore, the controls here at issue were exercised by a high officer, the director of Amtrak's real estate operations, to whom the Amtrak board had directly delegated such authority.[10]

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[10] Indeed, the minutes of meetings of Amtrak's board of directors show that the board has, on at least one occasion, authorized an individual lease for the Spectacular.

I conclude that, notwithstanding Amtrak's private character in its employment contracts, it must be deemed to engage in governmental action when it undertakes to regulate the content of the advertisements on its billboards.

B. *The Requirements of the First Amendment*

I now turn to the question whether Amtrak's actions comport with the requirements that the First Amendment places on such governmental conduct.

Along with other constraints, the First Amendment requires that, when the government regulates speech, it must do so by a policy that is (i) clearly set forth, (ii) not so vague as to be subject to abuse, (iii) consistently applied and (iv) not based on viewpoint. These rules are intended to avoid the risk that government may impose arbitrary, discriminatory, or preferential controls on speech. *See generally City of Lakewood v. Plain Dealer Publishing Co.*, 486 U.S. 750, 757-764 (1988) (invalidating ordinance giving town mayor complete discretion in licensing sidewalk newsracks). Without explicit standards, clearly disclosed, government regulation of speech may be applied in an arbitrary and discriminatory manner. *See Grayned v. City of Rockford*, 408 U.S. 104, 108-09 (1972); *Cramp v. Board of Public Instruction*, 368 U.S. 278, 286-87 (1961) (terms of regulation must be "susceptible of objective measurement"). The Supreme Court has cautioned that a scheme for regulating speech "that places 'unbridled discretion in the hands of a government official or agency constitutes a prior restraint and may result in censorship.' " *FW/PBS, Inc. v. City of Dallas*, 493 U.S. 215, 225 (1990) (quoting *Lakewood*, 486 U.S. at 757). "Precision of regulation must be the touchstone in an area so closely touching our most precious freedoms." *NAACP v. Button*, 371 U.S. 415, 438 (1963). In addition, a government restriction may not discriminate against speech on the basis of the viewpoint of the speaker. *See Perry Educ. Ass'n v. Perry Local Educators' Ass'n*, 460 U.S. 37, 45-46 (1983) (regulation of public forum must be content-neutral; regulation of non-public forum must

be viewpoint-neutral); *see also United States v. Kokinda*, 497 U.S. 720, 729 (1990); *Longo v. United States Postal Service*, 953 F.2d 790, 796 (2d Cir.) ("[r]estrictions on expression because of disagreement with message or idea being conveyed by the speaker" violate First Amendment), *vacated and remanded on other grounds*, ___ U.S. ___, 113 S. Ct. 31 (1992), *reinstated*, 983 F.2d 91 (2d Cir. 1992); *see generally International Society for Krishna Consciousness v. Lee*, 1992, ___ U.S. ___, 112 S. Ct. 2701 (1992).

I find that Amtrak's policy violates the first three (and possibly also the fourth) of these requirements.

(i) *Not clearly set forth.* The Amtrak policy identified by Mr. DeAngelo as the reason for the rejection is its prohibition of "political" advertisements in Penn Station. Nowhere is this policy committed to writing. Nor was the existence of the policy disseminated. Thus TDI, which leased out nearly all the billboards in Penn Station without consulting Amtrak, was unaware of the policy's existence. An unwritten censorship policy is susceptible to inconsistent application that threatens free speech. *See Lakewood*, 486 U.S. at 757; *see also Abel v. Town of Orangetown*, 759 F. Supp. 161, 164-65 (S.D.N.Y. 1991) (invalidating zoning ordinance allowing town board unfettered discretion in granting consent to place sign on town property); *New Alliance Party v. Dinkins*, 743 F. Supp. 1055, 1064-65 (S.D.N.Y. 1990) (special events permitting system of parks violated First Amendment where permits granted or refused without any regulatory guidelines).

In attempting to identify a writing that contains its policy, Amtrak points to two earlier advertising licensing agreements between Amtrak (or its predecessor, the Pennsylvania Railroad Company) and TDI. These agreements, dated 1967 and 1980, governed TDI's leasing of the Spectacular. Both agreements contained a provision stating that Amtrak could refuse any advertising that Amtrak, "in its judgment," may deem "unlawful, immoral, improper or offensive to good taste . . . or involve political or other views which could result in dis-

sension or involve [Amtrak] in dissension, complaints or controversy with its patrons or the public . . . ."

However, neither of these licensing agreements is still in effect. The 1980 agreement, which superseded the 1967 agreement, was itself superseded by another agreement in 1985 covering all Amtrak billboards in Penn Station. The 1985 agreement and its successor, the 1991 agreement, do not include any provision comparable to the one in the 1967 and 1980 agreements. They do state that, "All advertising material, exhibit material, notices and advertisements, and their manner of presentation and design, shall be subject to approval by Amtrak, which may disapprove any such items at its own discretion." This broad provision clearly does not state, or even imply, the rejection of all "political" advertising.

Moreover, the evidence makes clear that Amtrak's supposed policy rejecting "political" advertising was not even known to many of those responsible for billboard advertising. William P. Delaney, a project manager in Amtrak's Real Estate Department who is responsible for supervising Amtrak's arrangements with TDI for advertising in Amtrak's facilities, knew of no prohibition on "political" advertising applicable to any of Amtrak's facilities. None of the executives at TDI, who had been leasing Penn Station billboard space for years and who had authority to approve advertising copy for all areas other than the Spectacular, knew of Amtrak's policy barring "political" advertisements.

(ii) *Vague*. Even if Amtrak's policy, as expressed by Mr. DeAngelo, were in writing, or otherwise clearly set forth, such a policy would still be constitutionally infirm, for the term "political" is of such unclear meaning that it is easily susceptible to arbitrary or discriminatory censorship by those administering the policy. *See Bullfrog Films, Inc. v. Wick*, 847 F.2d 502, 513-14 (9th Cir. 1988) (invalidating as vague regulations that barred issuing educational certificates to documentary films that attempted "to influence opinion, conviction or policy (religious, economic, or political propa-

ganda), to espouse a cause, or conversely, when they seem to attack a particular persuasion" and that "appear to have as their purpose or effect to attach or discredit economic, religious, or political views or practices"); *see also Coates v. Cincinnati*, 402 U.S. 611, 614 (1971) ("conduct . . . annoying to persons passing by" unconstitutionally vague); *Gay Men's Health Crisis v. Sullivan*, 792 F. Supp. 278, 293-96 (S.D.N.Y. 1992) ("offensive to a majority of adults" unconstitutionally vague).

The policy might be thought, for example, to bar only advertisements relative to candidates for political office. It might be thought to encompass public service messages on public issues, including drunk driving, safe sex, abortion counselling, and religious messages. It might also cover commercial advertising that included public service messages like "Keep America Beautiful," or that discussed controversial issues.

Amtrak's executives were themselves at odds over the meaning of Amtrak's policy. Mr. DeAngelo at times indicated that the policy prohibited only those advertisements that were both "political" *and* divisive or objectionable; at other times, he stated that the policy prohibited all advertisements that were not devoted to the selling of a product or service. Bruce M. Bourque, Amtrak's Project Director for Real Estate Development for Penn Station, who first reviews advertising material submitted for the Spectacular, knew that there was a policy barring "political" advertisements, but he could not really say what such a policy meant. *See U.S. Southwest Africa/Namibia Trade & Cultural Council v. United States*, 708 F.2d 760, 769 (D.C. Cir. 1983) ("the hazy line between ideological and commercial speech is reflected in the record of this case").

This is not to say that reasonable individuals could never agree that a particular advertisement was or was not "political." As the court explained in *U.S. Southwest Africa/ Namibia Trade & Cultural Council v. United States*, 708 F.2d at 769,

> The point is not that the distinction between commercial and political speech is entirely unworkable—there is little doubt that it can operate successfully at the extremes to screen out patently political from wholly commercial advertisements. Rather, the point is that there is a gray area near the middle in which this particular subject matter restriction tends to operate as a *sub rosa* penalty on presenting political viewpoints in "controversial," as opposed to more benign "commercial," forms.

This again reflects the manner in which Amtrak's policy is susceptible to abuse, for "[a]pplying this guideline involves an exercise of discretion and subjective judgment on the part of [Amtrak] officials." *Lebron v. Washington Metropolitan Area Transit Authority*, 749 F.2d 893, 899 (D.C. Cir. 1984). In such circumstances, the threat is great that "the policy operates in part to screen out only controversial, but not non-controversial, political messages." *U.S. Southwest Africa/ Namibia Trade & Cultural Council*, 708 F.2d at 769.

Amtrak contends that the term "political" as employed in its policy means to include (and therefore prohibit) all advertisements that do not seek to sell a product or service. However, that is certainly not what the term "political" is generally understood to mean, and, as noted, this is not how the relevant personnel understand the policy. When a standard for governmental control of speech is so unclear, there is a high likelihood of inconsistent and discriminatory application. Such a vague policy provides Amtrak officials with precisely the kind of unfettered discretion to control speech that the Supreme Court has held to contravene the First Amendment. *See, e.g., FW/PBS, Inc.*, 493 U.S. at 226; *Lakewood*, 486 U.S. at 757; *Shuttlesworth v. Birmingham*, 394 U.S. 147, 151 (1969); *Saia v. New York*, 334 U.S. 558, 560 (1948) ("There are no standards prescribed for the exercise of [the official's] discretion."); *see generally Staub v. City of Baxley*, 355 U.S. 313, 322 (1958) ("It is settled by a long line of recent decisions of this Court that an ordinance which . . . makes the

peaceful enjoyment of freedoms with the Constitution guarantees contingent upon the uncontrolled will of an official—as by requiring a permit or license which may be granted or withheld in the discretion of such official—is an unconstitutional censorship or prior restraint upon the enjoyment of those freedoms.").

(iii) *Not consistently applied.* A further infirmity in Amtrak's "no political advertisements" policy is that it is not consistently applied. As noted above, the policy is unknown to Amtrak's leasing agent, with the result that billboard space in Penn Station has repeatedly been leased for advertisements that are "political" in the sense of Amtrak's definition. Indeed, the licensing agreement between Amtrak and TDI expressly allows for public service advertisements (at reduced rates or no charge). And TDI maintains written *Guidelines For Public Service Advertising*. They provide that such advertising will be displayed (at less than full rate) for no more than a thirty-day period, only when space is available and may be pre-empted by any commercial (*i.e.*, full rate) advertising. The guidelines are designed to insure that such noncommercial advertisements shall be accepted only from "recognized, legitimate [tax exempt] not-for-profit organizations, corporations, National, State or Local government agencies and subdivisions, philanthropic or cultural organizations whose activities would be of interest or benefit to a majority of the area population," and that the advertisements adhere to "good taste, decency and community standards." It is clear that all of the advertisements covered by the Guidelines for Public Service Advertising are of the type that Amtrak contends are prohibited by its rule.

Furthermore, TDI's leasing guidelines do recognize a distinction affecting advertisements that are "political." The TDI guideline, however, does not reject them, but rather considers them commercial and therefore subject to full rate charge.[11]

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[11] Particularly baffling in the context of this case is the TDI guideline that states:

(*footnote continued*)

It is clear beyond dispute that Amtrak's policy is not being consistently followed. TDI's records show that it leases space to advertisers that are not "commercial," and some of which are arguably "political." These include the New York Department of the Environment, the New York Department of Commerce, a foundation for muscular dystrophy, and *Plain Truth* magazine, a free magazine on political and social issues published by The Worldwide Church of God. In addition, testimony of the general counsel of TDI indicates that TDI regularly displays public service advertisements, including subjects such as the homeless, the environment, drunk driving, AIDS awareness, health issues, and race relations.[12]

(iv) *Void for viewpoint bias.* Furthermore, depending on which of the many proffered versions really is Amtrak's policy, the policy may also be void because of discrimination based on viewpoint. *See Perry Educ. Ass'n*, 460 U.S. at 45-46.

If, for example, Amtrak's policy, as Mr. DeAngelo sometimes testified, is directed against divisive, controversial, or objectionable matter, or if, as set forth in the 1967 and 1980 agreements with TDI, it gives Amtrak discretion to refuse any advertising involving "views which could result in dissension or involve [Amtrak] in dissension, complaints or controversy with its patrons or the public . . . ," it would be void; gov-

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> Because of the separation of Church and State dictates of our Constitution, organizations that are primarily religious in structure *do not* qualify for Public Service space.

(Emphasis in original).

[12] Amtrak contends that its policy has been consistently applied with respect to the Spectacular, as it has never had a political advertisement in that space. Amtrak does not contend, however, that its policy against political advertisements applies only to the Spectacular. But even if it did, the policy would nonetheless be void for the first two reasons discussed: that it is not written or clearly disseminated and that it is too vague to be consistently applied (and also perhaps for the fourth reason discussed, that it is viewpoint-based censorship, depending on the meaning of Amtrak's policy).

ernment may not regulate speech by such criteria. *Texas v. Johnson*, 491 U.S. 397, 414 (1989). "[T]he use of the controversial nature of speech as the effective touchstone for regulation 'threatens a value at the very core of the First Amendment, the "profound national commitment to the principle that debate on public issues should be uninhibited, robust, and wide-open." ' " *U.S. Southwest Africa/Namibia Trade & Cultural Council*, 708 F.2d at 769 (quoting *Consolidated Edison Co. v. Public Service Commission*, 447 U.S. 530, 548 n.9 (1980) (Stevens, J., concurring) (quoting *New York Times v. Sullivan*, 376 U.S. 254, 270 (1964))). An advertisement such as Lebron's

> cannot be prohibited . . . merely because it provokes disagreements and offends the sensibilities of the majority. "Speech is often provocative and challenging. It may strike at prejudices and preconceptions and have profound unsettling effects as it presses for acceptance of an idea." It is precisely this speech for which the protection of the First Amendment was intended.

Penthouse International, Ltd. v. Koch, 599 F. Supp. 1338, 1350 (S.D.N.Y. 1984) (citation omitted); *see also Terminiello v. City of Chicago*, 337 U.S. 1, 4 (1949) ("A function of free speech under our system of government is to invite dispute."); *United States v. Schwimmer*, 279 U.S. 644, 654-55 (1929) (Holmes, J., dissenting) ("not free thought for those who agree with us but freedom for the thought that we hate").

If the policy is as set forth in TDI's guidelines, whether for Public Service Advertising or for Commercial Advertising, it is void for the same reason, for these guidelines are designed to ensure against advertising that is controversial, in bad taste, or inconsistent with the taste and preferences of the majority of the community. Such standards are of course permissible for a private actor, but not for a governmental actor or an actor whose symbiotic relationship with government renders the act of regulation governmental. Because Amtrak is saturated with the presence of the federal government, it may not

regulate speech in an effort to shield its customers from the abrasive, the obnoxious, the controversial.

Conclusion

Plaintiff Lebron has convincingly demonstrated that in rejecting his contract to display his art on its billboard Amtrak was engaged in governmental action and that the standards employed by Amtrak in rejecting his work violated its obligations under the First Amendment.[13]

Defendants are accordingly directed to give plaintiff immediate access to the Spectacular in accordance with his contract.

Dated: New York, N.Y.
February 5, 1993

SO ORDERED:

Pierre N. Leval, U.S.D.J.

[13] I do not reach Lebron's alternative contract theory because this resolution makes it superfluous.

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

Filed January 8, 1998
Docket No. 97-9505

MICHAEL A. LEBRON,

Appellant-Plaintiff,

—vs.—

THE NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK),

Appellee-Defendant,

TRANSPORTATION DISPLAYS INCORPORATED,

Defendant.

Each motion must be accompanied by a supporting affidavit.
(Local Rule 27(a))

NOTICE OF MOTION FOR STIPULATION OF SUMMARY AFFIRMANCE

MOTION BY: *(Name, address and tel. no. of law firm and of attorney in charge of case)*

Gloria C. Phares, Esq.
Patterson, Belknap, Webb & Tyler LLP
1133 Avenue of the Americas
New York, NY 10036
(212) 336-2000

Has consent of opposing counsel:

A. been sought	☒ Yes	☐ No
B. been obtained	☒ Yes	☐ No
Has service been effected?	☒ Yes	☐ No
Is oral argument desired? *(Substantive motions only)*	☐ Yes	☒ No

Requested return date: None requested, motion by stipulation *(See Second Circuit Rule 27(b).)*

Has argument date of appeal been set:

A. by scheduling order?	☒ Yes	☐ No
B. by firm date/argument notice?	☐ Yes	☒ No

C. If yes, enter date: March 9, 1998

OPPOSING COUNSEL: *(Name, address and tel. no. of law firm and of attorney in charge of case)*

William G. Ballaine, Esq.
Landman, Corsi, Ballaine & Ford P.C.
120 Broadway
New York, NY 10271
(212) 238-4500

EMERGENCY MOTIONS, MOTIONS FOR STAYS
& INJUNCTIONS PENDING APPEAL

Has request for relief been made below? ☐ Yes ☒ No
(See F.R.A.P. Rule 8)

Would expedited appeal eliminate need for this motion?
☐ Yes ☒ No

If no, explain why not: Requesting the summary affirmance of the district court's judgment dismissing Appellant's complaint

Will the parties agree to maintain the status quo until the motion is heard? ☒ Yes ☐ No

Judge or agency whose order is being appealed:
Judge Whitman Knapp

Brief statement of the relief requested:
(Complete, also, Page 2 of this form.)

Stipulated motion to have this Court summarily affirm the district court's judgment dismissing Appellant's complaint.

/s/ GLORIA C. PHARES
By: *(Signature of Attorney)*

Signed name must must be printed beneath.
Gloria C. Phares

Date: January 7, 1998

/s/ MICHAEL A. LEBRON
Appearing for: *(Name of Party)*

Appellant or Petitioner: ☒ Plaintiff ☐ Defendant

Appellee or Respondent: ☐ Plaintiff ☐ Defendant

ORDER

IT IS HEREBY ORDERED that the motion be and it hereby is granted

FOR THE COURT
GEORGE LANGE III, Clerk

by: /s/ Beth J. Meador
Beth J. Meador, Administrative Attorney

THE CERTIFIED (✔) ORDER ( ) NOTICE
( ) STATEMENT OF COSTS
HAS BEEN RECEIVED BY /s/ AS
DATE: 1/22/98

Filed January 14, 1998